



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4989

Introduced 2/18/2020, by Rep. Jonathan Carroll

SYNOPSIS AS INTRODUCED:

205 ILCS 405/4	from Ch. 17, par. 4808
205 ILCS 405/13.1	from Ch. 17, par. 4822
205 ILCS 405/14	from Ch. 17, par. 4823
205 ILCS 405/16	from Ch. 17, par. 4832
205 ILCS 660/5	from Ch. 17, par. 5205
205 ILCS 660/6	from Ch. 17, par. 5206
205 ILCS 665/4	from Ch. 17, par. 5304
205 ILCS 665/6	from Ch. 17, par. 5306
205 ILCS 670/2	from Ch. 17, par. 5402
205 ILCS 670/4	from Ch. 17, par. 5404
205 ILCS 670/8	from Ch. 17, par. 5408
205 ILCS 670/11	from Ch. 17, par. 5411
205 ILCS 670/12.5	
815 ILCS 122/2-55	
815 ILCS 122/3-5	

Amends the Currency Exchange Act, the Sales Finance Agency Act, the Debt Management Service Act, the Consumer Installment Loan Act, and the Payday Loan Reform Act. Changes application fees, license fees, initial license fees, and fees to operate under those Acts. Changes the fine for late annual consumer installment loan reports to \$500 (instead of \$25) for each day beyond March 1 such report is filed. Establishes an initial license fee to operate as a payday lender in the amount of \$1,250. Changes the fine for late annual payday lender reports to \$500 (instead of \$25) for each day beyond March 1 such report is filed. In the Sales Finance Agency Act, the Consumer Installment Loan Act, and the Payday Loan Reform Act, makes changes to the expiration date of licenses under those Acts and adds a fee to reinstate an expired license. Effective immediately.

LRB101 20594 BMS 70225 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Currency Exchange Act is amended by changing
5 Sections 4, 13.1, 14, and 16 as follows:

6 (205 ILCS 405/4) (from Ch. 17, par. 4808)

7 Sec. 4. License application; contents; fees. A licensee
8 shall obtain a separate license for each licensed location.
9 Application for such license shall be in writing under oath and
10 in the form prescribed and furnished by the Secretary. Each
11 application shall contain the following:

12 (a) The applicant's full name and address (both of
13 residence and place of business) if the applicant is a
14 natural person, and if the applicant is a partnership,
15 limited liability company, or association, of every member
16 thereof, and the name and principal office if the applicant
17 is a corporation;

18 (b) The county and municipality, with street and
19 number, if any, where the community currency exchange is to
20 be conducted, if the application is for a community
21 currency exchange license;

22 (c) If the application is for an ambulatory currency
23 exchange license, the name and address of the employer at

1 each location to be served by it; and

2 (d) In the case of a licensee's initial license
3 application, the applicant's occupation or profession; a
4 detailed statement of the applicant's business experience
5 for the 10 years immediately preceding the application; a
6 detailed statement of the applicant's finances; the
7 applicant's present or previous connection with any other
8 currency exchange; whether the applicant has ever been
9 involved in any civil or criminal litigation, and the
10 material facts pertaining thereto; whether the applicant
11 has ever been committed to any penal institution or
12 admitted to an institution for the care and treatment of
13 mentally ill persons; and the nature of applicant's
14 occupancy of the premises to be licensed where the
15 application is for a community currency exchange license.
16 If the applicant is a partnership, the information
17 specified herein shall be required of each partner. If the
18 applicant is a corporation or limited liability company,
19 the said information shall be required of each controlling
20 person thereof along with disclosure of their ownership
21 interests.

22 A licensee's initial community currency exchange license
23 application shall be accompanied by a fee of \$1,000 for the
24 cost of investigating the applicant. A licensee's application
25 for licenses for additional licensed locations shall be
26 accompanied by a fee of \$1,500 ~~\$1,000~~ for each additional

1 license. If the ownership of a licensee or licensed location
2 changes, in whole or in part, a new application must be filed
3 pursuant to this Section along with a \$500 fee if the
4 licensee's ownership interests have been transferred or sold to
5 a new person or entity or a fee of \$300 if the licensee's
6 ownership interests have been transferred or sold to a current
7 holder or holders of the licensee's ownership interests. When
8 the application for a community currency exchange license has
9 been approved by the Secretary and the applicant so advised, an
10 additional sum of \$500 ~~\$400~~ as an annual license fee for a
11 period terminating on the last day of the current calendar year
12 shall be paid to the Secretary by the applicant; provided, that
13 the license fee for an applicant applying for such a license
14 after July 1st of any year shall be \$250 ~~\$200~~ for the balance
15 of such year. Upon receipt of a community currency exchange
16 license application, the Secretary shall examine the
17 application for completeness and notify the applicant in
18 writing of any defect within 20 days after receipt. The
19 applicant must remedy the defect within 10 days after the
20 mailing of the notification of the defect by the Secretary.
21 Failure to timely remedy the defect will void the application.
22 Once the Secretary determines that the application is complete,
23 the Secretary shall have 90 business days to approve or deny
24 the application. If the application is denied, the Secretary
25 shall send by United States mail notice of the denial to the
26 applicant at the address set forth in the application. If an

1 application is denied, the applicant may, within 10 days after
2 the date of the notice of denial, make a written request to the
3 Secretary for a hearing on the application. The hearing shall
4 be set for a date after the receipt by the Secretary of the
5 request for a hearing, and written notice of the time and place
6 of the hearing shall be mailed to the applicant no later than
7 15 days before the date of the hearing. The hearing shall be
8 scheduled for a date within 56 days after the date of the
9 receipt of the request for a hearing. The applicant shall pay
10 the actual cost of making the transcript of the hearing prior
11 to the Secretary's issuing his or her decision. The Secretary's
12 decision is subject to review as provided in Section 22.01 of
13 this Act.

14 An application for an ambulatory currency exchange license
15 shall be accompanied by a fee of \$1,000 ~~\$100~~, which fee shall
16 be for the cost of investigating the applicant. An approved
17 applicant shall not be required to pay the initial
18 investigation fee of \$1,000 ~~\$100~~ more than once. When the
19 application for an ambulatory currency exchange license has
20 been approved by the Secretary, and such applicant so advised,
21 such applicant shall pay an annual license fee of \$500 ~~\$25~~ for
22 each and every location to be served by such applicant;
23 provided that such license fee for an approved applicant
24 applying for such a license after July 1st of any year shall be
25 \$250 ~~\$12~~ for the balance of such year for each and every
26 location to be served by such applicant. Such an approved

1 applicant for an ambulatory currency exchange license, when
2 applying for a license with respect to a particular location,
3 shall file with the Secretary, at the time of filing an
4 application, a letter of memorandum, which shall be in writing
5 and under oath, signed by the owner or authorized
6 representative of the business whose employees are to be
7 served; such letter or memorandum shall contain a statement
8 that such service is desired, and that the person signing the
9 same is authorized so to do. The Secretary shall thereupon
10 verify the authenticity of the letter or memorandum and the
11 authority of the person who executed it, to do so.

12 The Department shall have 45 business days to approve or
13 deny a licensee's request to purchase another currency
14 exchange.

15 (Source: P.A. 99-445, eff. 1-1-16.)

16 (205 ILCS 405/13.1) (from Ch. 17, par. 4822)

17 Sec. 13.1. Consolidation of business locations. Whenever 2
18 or more licensees desire to consolidate their places of
19 business, they shall make application for such consolidation to
20 the Secretary upon a form provided by him or her. This
21 application shall state: (a) the name to be adopted and the
22 location at which the business is to be located, which name and
23 location shall be the same as one of the consolidating
24 licensees; (b) that the owners or all partners or all
25 stockholders or all members, as the case may be, of the

1 licensees involved in the contemplated consolidation, have
2 approved the application; (c) a certification by the secretary,
3 if any of the licensees be corporations, that the contemplated
4 consolidation has been approved by all of the stockholders at a
5 properly convened stockholders meeting; (d) other relevant
6 information the Secretary may require. Simultaneously with the
7 approval of the application by the Secretary, the licensee or
8 licensees who will cease doing business shall: (a) surrender
9 their license or licenses to the Secretary; (b) transfer all of
10 their assets and liabilities to the licensee continuing to
11 operate by virtue of the application; (c) apply to the
12 Secretary of State, if they be corporations, for surrender of
13 their corporate charter in accordance with the provisions of
14 the Business Corporation Act of 1983.

15 An application for consolidation shall be approved or
16 rejected by the Secretary within 30 days after receipt by him
17 of such application and supporting documents required
18 thereunder. The Secretary shall impose a consolidation fee of
19 \$500 ~~\$100~~ per application.

20 Such consolidation shall not affect suits pending in which
21 the surrendering licensees are parties; nor shall such
22 consolidation affect causes of action nor the rights of persons
23 in particular; nor shall suits brought against such licensees
24 in their former names be abated for that cause.

25 Nothing contained herein shall limit or prohibit any action
26 or remedy available to a licensee or to the Secretary under

1 Sections 15, 15.1 to 15.1e or 15.2 of this Act.

2 (Source: P.A. 97-315, eff. 1-1-12.)

3 (205 ILCS 405/14) (from Ch. 17, par. 4823)

4 Sec. 14. Every licensee, shall, on or before November 15,
5 pay to the Secretary the annual license fee or fees for the
6 next succeeding calendar year and shall at the same time file
7 with the Secretary the annual bond or bonds and the insurance
8 policy or policies as and if required by this Act. The annual
9 license fee for each community currency exchange shall be \$500
10 ~~\$400~~ for each licensee and \$500 ~~\$400~~ for each additional
11 licensed location. The annual license fee for each location
12 served by an ambulatory currency exchange shall be \$500 ~~\$25~~.

13 (Source: P.A. 99-445, eff. 1-1-16; 99-549, eff. 7-15-16.)

14 (205 ILCS 405/16) (from Ch. 17, par. 4832)

15 Sec. 16. Annual report; investigation; costs.

16 (a) Each licensee shall annually, on or before the 1st day
17 of March, file a report with the Secretary for the calendar
18 year period from January 1st through December 31st, giving such
19 relevant information as the Secretary may reasonably require
20 concerning, and for the purpose of examining, the business and
21 operations during the preceding fiscal year period of each
22 licensed currency exchange conducted by such licensee within
23 the State. Such report shall be made under oath and shall be in
24 the form prescribed by the Secretary. The Secretary may at any

1 time, and shall at least once in each year, investigate the
2 currency exchange business of any licensee and of every person,
3 partnership, association, limited liability company, and
4 corporation who or which shall be engaged in the business of
5 operating a currency exchange. For that purpose, the Secretary
6 shall have free access to the offices and places of business
7 and to such records of all such persons, firms, partnerships,
8 associations, limited liability companies and members thereof,
9 and corporations and to the officers and directors thereof that
10 shall relate to such currency exchange business. The
11 investigation may be conducted in conjunction with
12 representatives of other State agencies or agencies of another
13 state or of the United States as determined by the Secretary.
14 The Secretary may at any time inspect the locations served by
15 an ambulatory currency exchange, for the purpose of determining
16 whether such currency exchange is complying with the provisions
17 of this Act at each location served. The Secretary may require
18 by subpoena the attendance of and examine under oath all
19 persons whose testimony he may require relative to such
20 business, and in such cases the Secretary, or any qualified
21 representative of the Secretary whom the Secretary may
22 designate, may administer oaths to all such persons called as
23 witnesses, and the Secretary, or any such qualified
24 representative of the Secretary, may conduct such
25 examinations, and there shall be paid to the Secretary for each
26 such examination a fee of \$500 ~~\$250~~ for each day or part

1 thereof for each qualified representative designated and
2 required to conduct the examination; provided, however, that in
3 the case of an ambulatory currency exchange, such fee shall be
4 \$150 for each day or part thereof.

5 (b) Confidentiality. All information collected by the
6 Department in the course of an examination or investigation of
7 an ambulatory or community currency exchange or applicant,
8 including, by not limited to, any complaint against an
9 ambulatory or community currency exchange filed with the
10 Department, and information collected to investigate any such
11 complaint shall be maintained for the confidential use of the
12 Department and shall not be disclosed. The Department may not
13 disclose such information to anyone other than law enforcement
14 officials, other regulatory agencies that have an appropriate
15 regulatory interest as determined by the Secretary, or to a
16 party presenting a lawful subpoena to the Department.
17 Information and documents disclosed to a federal, State,
18 county, or local law enforcement agency shall not be disclosed
19 by the agency for any purpose to any other agency or person. A
20 formal complaint filed against a licensee by the Department or
21 any order issued by the Department against a licensee shall be
22 a public record, except as otherwise prohibited by law.

23 (Source: P.A. 97-315, eff. 1-1-12.)

24 Section 10. The Sales Finance Agency Act is amended by
25 changing Sections 5 and 6 as follows:

1 (205 ILCS 660/5) (from Ch. 17, par. 5205)

2 Sec. 5. If a licensee fails to renew his or her license by
3 the 1st ~~31st~~ day of December, it shall automatically expire on
4 the 31st day of December and the licensee is not entitled to a
5 hearing; however, the Director in his or her discretion, may
6 reinstate an expired license upon payment of the annual renewal
7 fee, ~~and~~ proof of good cause for failure to renew, and payment
8 of an additional fee for failure to renew in a timely manner as
9 determined by the Director.

10 (Source: P.A. 90-437, eff. 1-1-98.)

11 (205 ILCS 660/6) (from Ch. 17, par. 5206)

12 Sec. 6. A license fee of \$1,250 ~~\$300~~ for the applicant's
13 principal place of business and \$1,000 ~~\$100~~ for each additional
14 place of business for which a license is sought must be
15 submitted with an application for license made before July 1 of
16 any year. ~~If application for a license is made on July 1 or~~
17 ~~thereafter, a license fee of \$150 for the principal place of~~
18 ~~business and of \$50 for each additional place of business must~~
19 ~~accompany the application.~~ Each license remains in force until
20 surrendered, suspended, or revoked. If the application for
21 license is denied, the original license fee shall be retained
22 by the State in reimbursement of its costs of investigating
23 that application.

24 Before the license is granted, the applicant shall prove in

1 form satisfactory to the Director, that the applicant has a
2 positive net worth of a minimum of \$30,000.

3 A licensee must pay to the Department, and the Department
4 must receive, by December 1 of each year, the renewal license
5 application on forms prescribed by the Director and the
6 following renewal fee ~~\$300~~ for the license for his principal
7 place of business and one-half of the following renewal fee
8 ~~\$100~~ for each additional license held as a renewal license fee
9 for the succeeding calendar year:—

<u>TOTAL TRANSACTIONS</u>	<u>RENEWAL FEE</u>
11 <u>500 or less</u>	<u>\$500</u>
12 <u>More than 500 and</u>	
13 <u>up to and including 1,000</u>	<u>\$500 plus \$10 per 50</u>
14	<u>transactions in excess of 500</u>
	<u>transactions</u>
15 <u>More than 1,000 and</u>	
16 <u>up to and including 10,000</u> ..	<u>\$1,000 plus \$5 per 100</u>
17	<u>transactions in excess of 1,000</u>
	<u>transactions</u>
18 <u>More than 10,000 and</u>	
19 <u>up to and including 100,000</u> ..	<u>\$1,450 plus \$2.50 per 1,000</u>
20	<u>transactions in excess of</u>
	<u>10,000 transactions</u>
21 <u>More than 100,000</u>	<u>\$1,675 plus \$1.25 per 10,000</u>
22	<u>transactions in excess of</u>
	<u>100,000 transactions</u>

1 As used in this Section, "transactions" means loans made or
2 acquired pursuant to this Act during the calendar year
3 preceding the calendar year for which a licensee seeks to renew
4 its license.

5 (Source: P.A. 92-398, eff. 1-1-02.)

6 Section 15. The Debt Management Service Act is amended by
7 changing Sections 4 and 6 as follows:

8 (205 ILCS 665/4) (from Ch. 17, par. 5304)

9 Sec. 4. Application for license. Application for a license
10 to engage in the debt management service business in this State
11 shall be made to the Secretary and shall be in writing, under
12 oath, and in the form prescribed by the Secretary.

13 Each applicant, at the time of making such application,
14 shall pay to the Secretary the sum of \$1,250 ~~\$30.00 as a fee~~
15 ~~for investigation of the applicant, and the additional sum of~~
16 ~~\$100.00 as a license fee.~~

17 Every applicant shall submit to the Secretary, at the time
18 of the application for a license, a bond to be approved by the
19 Secretary in which the applicant shall be the obligor, in the
20 sum of \$25,000 or such additional amount as required by the
21 Secretary based on the amount of disbursements made by the
22 licensee in the previous year, and in which an insurance
23 company, which is duly authorized by the State of Illinois, to
24 transact the business of fidelity and surety insurance shall be

1 a surety.

2 The bond shall run to the Secretary for the use of the
3 Department or of any person or persons who may have a cause of
4 action against the obligor in said bond arising out of any
5 violation of this Act or rules by a license. Such bond shall be
6 conditioned that the obligor will faithfully conform to and
7 abide by the provisions of this Act and of all rules,
8 regulations and directions lawfully made by the Secretary and
9 will pay to the Secretary or to any person or persons any and
10 all money that may become due or owing to the State or to such
11 person or persons, from said obligor under and by virtue of the
12 provisions of this Act.

13 (Source: P.A. 96-1420, eff. 8-3-10.)

14 (205 ILCS 665/6) (from Ch. 17, par. 5306)

15 Sec. 6. Renewal of license. Each debt management service
16 provider under the provisions of this Act may make application
17 to the Secretary for renewal of its license, which application
18 for renewal shall be on the form prescribed by the Secretary
19 and shall be accompanied by a fee of \$1,000 ~~\$100.00~~ together
20 with a bond or other surety as required, in a minimum amount of
21 \$25,000 or such an amount as required by the Secretary based on
22 the amount of disbursements made by the licensee in the
23 previous year. The application must be received by the
24 Department no later than December 1 of the year preceding the
25 year for which the application applies.

1 (Source: P.A. 96-1420, eff. 8-3-10.)

2 Section 20. The Consumer Installment Loan Act is amended by
3 changing Sections 2, 4, 8, 11, and 12.5 as follows:

4 (205 ILCS 670/2) (from Ch. 17, par. 5402)

5 Sec. 2. Application; fees; positive net worth. Application
6 for such license shall be in writing, and in the form
7 prescribed by the Director. Such applicant at the time of
8 making such application shall pay to the Director the sum of
9 \$1,250 ~~\$300~~ as an application fee ~~and the additional sum of~~
10 ~~\$450 as an annual license fee, for a period terminating on the~~
11 ~~last day of the current calendar year; provided that if the~~
12 ~~application is filed after June 30th in any year, such license~~
13 ~~fee shall be 1/2 of the annual license fee for such year.~~

14 Before the license is granted, every applicant shall prove
15 in form satisfactory to the Director that the applicant has and
16 will maintain a positive net worth of a minimum of \$30,000.
17 Every applicant and licensee shall maintain a surety bond in
18 the principal sum of \$25,000 issued by a bonding company
19 authorized to do business in this State and which shall be
20 approved by the Director. Such bond shall run to the Director
21 and shall be for the benefit of any consumer who incurs damages
22 as a result of any violation of the Act or rules by a licensee.
23 If the Director finds at any time that a bond is of
24 insufficient size, is insecure, exhausted, or otherwise

1 doubtful, an additional bond in such amount as determined by
2 the Director shall be filed by the licensee within 30 days
3 after written demand therefor by the Director. "Net worth"
4 means total assets minus total liabilities.

5 (Source: P.A. 92-398, eff. 1-1-02; 93-32, eff. 7-1-03.)

6 (205 ILCS 670/4) (from Ch. 17, par. 5404)

7 Sec. 4. Investigation to determine whether license shall be
8 issued. Upon the filing of an application and the payment of
9 the fee, the Director shall investigate to determine (1) that
10 the reputation of the applicant, including managers of a
11 limited liability company, partners, owners, officers or
12 directors thereof is such as to warrant belief that the
13 business will be operated honestly and fairly within the
14 purposes of this Act and (2) that the applicant meets the
15 positive net worth requirement set forth in Section 2 of this
16 Act. Unless the Director makes findings hereinabove
17 enumerated, he or she shall not issue a license and shall
18 notify the applicant of the denial and return to the applicant
19 the sum paid by the applicant as a license fee, but shall
20 retain the \$1,250 ~~\$300~~ application fee. The Director shall
21 approve or deny every application for license hereunder within
22 60 days from the filing thereof with the fee.

23 (Source: P.A. 90-437, eff. 1-1-98; 90-575, eff. 3-20-98.)

24 (205 ILCS 670/8) (from Ch. 17, par. 5408)

1 Sec. 8. Annual license fee; expenses fee ~~Expenses~~. Before
 2 the 1st day of each December, a licensee must pay to the
 3 Director, and the Department must receive, an ~~the~~ annual
 4 license fee calculated as set forth in the following ~~required~~
 5 ~~by Section 2~~ for the next succeeding calendar year. The license
 6 shall expire on the first of January unless the license fee has
 7 been paid prior thereto.

<u>TOTAL TRANSACTIONS</u>	<u>RENEWAL FEE</u>
8 <u>500 or less</u>	<u>\$500</u>
10 <u>More than 500 and</u>	
11 <u>up to and including 1,000</u>	<u>\$500 plus \$10 per 50</u>
12	<u>transactions in excess of 500</u>
	<u>transactions</u>
13 <u>More than 1,000 and</u>	
14 <u>up to and including 10,000 ..</u>	<u>\$1,000 plus \$5 per 100</u>
15	<u>transactions in excess of 1,000</u>
	<u>transactions</u>
16 <u>More than 10,000 and</u>	
17 <u>up to and including 100,000 ..</u>	<u>\$1,450 plus \$2.50 per 1,000</u>
18	<u>transactions in excess of</u>
	<u>10,000 transactions</u>
19 <u>More than 100,000</u>	<u>\$1,675 plus \$1.25 per 10,000</u>
20	<u>transactions in excess of</u>
	<u>100,000 transactions</u>

21 As used in this Section, "transactions" means loans made
 22 pursuant to this Act during the calendar year preceding the

1 calendar year for which a licensee seeks to renew its license.

2 In addition to such license fee, the reasonable expense of
3 any examination, investigation or custody by the Director under
4 any provisions of this Act shall be borne by the licensee.

5 If a licensee fails to renew his or her license by the 1st
6 ~~31st~~ day of December, it shall automatically expire on the 31st
7 of December and the licensee is not entitled to a hearing;
8 however, the Director, in his or her discretion, may reinstate
9 an expired license upon payment of the annual renewal fee, and
10 proof of good cause for failure to renew, and payment of an
11 additional fee for failure to renew in a timely manner as
12 determined by the Director.

13 (Source: P.A. 100-958, eff. 8-19-18.)

14 (205 ILCS 670/11) (from Ch. 17, par. 5411)

15 Sec. 11. Books and records - Reports.

16 (a) Every licensee shall retain and use in his business or
17 at another location approved by the Director such records as
18 are required by the Director to enable the Director to
19 determine whether the licensee is complying with the provisions
20 of this Act and the rules and regulations promulgated pursuant
21 to this Act. Every licensee shall preserve the records of any
22 loan for at least 2 years after making the final entry for such
23 loan. Accounting systems maintained in whole or in part by
24 mechanical or electronic data processing methods which provide
25 information equivalent to that otherwise required and follow

1 generally accepted accounting principles are acceptable for
2 that purpose, if approved by the Director in writing.

3 (b) Each licensee shall annually, on or before the first
4 day of March, file a report with the Director giving such
5 relevant information as the Director may reasonably require
6 concerning the business and operations during the preceding
7 calendar year of each licensed place of business conducted by
8 the licensee. The report must be received by the Department on
9 or before March 1. The report shall be made under oath and in a
10 form prescribed by the Director. Whenever a licensee operates 2
11 or more licensed offices or whenever 2 or more affiliated
12 licensees operate licensed offices, a composite report of such
13 group of licensed offices may be filed in lieu of individual
14 reports. The Director may make and publish annually an analysis
15 and recapitulation of such reports. The Director may fine each
16 licensee \$500 ~~\$25~~ for each day beyond March 1 such report is
17 filed.

18 (Source: P.A. 92-398, eff. 1-1-02.)

19 (205 ILCS 670/12.5)

20 Sec. 12.5. Limited purpose branch.

21 (a) Upon the written approval of the Director, a licensee
22 may maintain a limited purpose branch for the sole purpose of
23 making loans as permitted by this Act. A limited purpose branch
24 may include an automatic loan machine. No other activity shall
25 be conducted at the site, including but not limited to,

1 accepting payments, servicing the accounts, or collections.

2 (b) The licensee must submit an application for a limited
3 purpose branch to the Director on forms prescribed by the
4 Director with an application fee of \$1,250 ~~\$300~~. The approval
5 for the limited purpose branch must be renewed concurrently
6 with the renewal of the licensee's license along with a renewal
7 fee as set forth in Section 8 ~~of \$300~~ for the limited purpose
8 branch.

9 (c) The books, accounts, records, and files of the limited
10 purpose branch's transactions shall be maintained at the
11 licensee's licensed location. The licensee shall notify the
12 Director of the licensed location at which the books, accounts,
13 records, and files shall be maintained.

14 (d) The licensee shall prominently display at the limited
15 purpose branch the address and telephone number of the
16 licensee's licensed location.

17 (e) No other business shall be conducted at the site of the
18 limited purpose branch unless authorized by the Director.

19 (f) The Director shall make and enforce reasonable rules
20 for the conduct of a limited purpose branch.

21 (g) A limited purpose branch may not be located within
22 1,000 feet of a facility operated by an inter-track wagering
23 licensee or an organization licensee subject to the Illinois
24 Horse Racing Act of 1975, on a riverboat or in a casino subject
25 to the Illinois Gambling Act, or within 1,000 feet of the
26 location at which the riverboat docks or within 1,000 feet of a

1 casino.

2 (Source: P.A. 101-31, eff. 6-28-19.)

3 Section 25. The Payday Loan Reform Act is amended by
4 changing Sections 2-55 and 3-5 as follows:

5 (815 ILCS 122/2-55)

6 Sec. 2-55. Information, reporting, and examination.

7 (a) A licensee shall keep and use books, accounts, and
8 records that will enable the Secretary to determine if the
9 licensee is complying with the provisions of this Act and
10 maintain any other records as required by the Secretary.

11 (b) A licensee shall collect and maintain information
12 annually for a report that shall disclose in detail and under
13 appropriate headings:

14 (1) the total number of payday loans made during the
15 preceding calendar year;

16 (2) the total number of payday loans outstanding as of
17 December 31 of the preceding calendar year;

18 (3) the minimum, maximum, and average dollar amount of
19 payday loans made during the preceding calendar year;

20 (4) the average annual percentage rate and the average
21 term of payday loans made during the preceding calendar
22 year; and

23 (5) the total number of payday loans paid in full, the
24 total number of loans that went into default, and the total

1 number of loans written off during the preceding calendar
2 year.

3 The report shall be verified by the oath or affirmation of
4 the owner, manager, or president of the licensee. The report
5 must be filed with the Secretary no later than March 1 of the
6 year following the year for which the report discloses the
7 information specified in this subsection (b). The Secretary may
8 impose upon the licensee a fine of \$500 ~~\$25~~ per day for each
9 day beyond the filing deadline that the report is not filed.

10 (c) No later than July 31 of the second year following the
11 effective date of this Act, the Department shall publish a
12 biennial report that contains a compilation of aggregate data
13 concerning the payday lending industry and shall make the
14 report available to the Governor, the General Assembly, and the
15 general public.

16 (d) The Department shall have the authority to conduct
17 examinations of the books, records, and loan documents at any
18 time.

19 (Source: P.A. 94-13, eff. 12-6-05.)

20 (815 ILCS 122/3-5)

21 Sec. 3-5. Licensure.

22 (a) A license to make a payday loan shall state the
23 address, including city and state, at which the business is to
24 be conducted and shall state fully the name of the licensee.
25 The license shall be conspicuously posted in the place of

1 business of the licensee and shall not be transferable or
2 assignable.

3 (b) An application for a license shall be in writing and in
4 a form prescribed by the Secretary. The Secretary may not issue
5 a payday loan license unless and until the following findings
6 are made:

7 (1) that the financial responsibility, experience,
8 character, and general fitness of the applicant are such as
9 to command the confidence of the public and to warrant the
10 belief that the business will be operated lawfully and
11 fairly and within the provisions and purposes of this Act;
12 and

13 (2) that the applicant has submitted such other
14 information as the Secretary may deem necessary.

15 (c) A license shall be issued for no longer than one year,
16 and no renewal of a license may be provided if a licensee has
17 substantially violated this Act and has not cured the violation
18 to the satisfaction of the Department.

19 (d) A licensee shall appoint, in writing, the Secretary as
20 attorney-in-fact upon whom all lawful process against the
21 licensee may be served with the same legal force and validity
22 as if served on the licensee. A copy of the written
23 appointment, duly certified, shall be filed in the office of
24 the Secretary, and a copy thereof certified by the Secretary
25 shall be sufficient evidence to subject a licensee to
26 jurisdiction in a court of law. This appointment shall remain

1 in effect while any liability remains outstanding in this State
 2 against the licensee. When summons is served upon the Secretary
 3 as attorney-in-fact for a licensee, the Secretary shall
 4 immediately notify the licensee by registered mail, enclosing
 5 the summons and specifying the hour and day of service.

6 (e) A licensee must pay an initial ~~annual~~ fee of \$1,250 and
 7 an annual renewal fee as set forth in the following: ~~\$1,000.~~

<u>TOTAL TRANSACTIONS</u>	<u>RENEWAL FEE</u>
8 <u>500 or less</u>	<u>\$500</u>
10 <u>More than 500 and</u>	
11 <u>up to and including 1,000</u>	<u>\$500 plus \$10 per 50</u>
12	<u>transactions in excess of 500</u>
	<u>transactions</u>
13 <u>More than 1,000 and</u>	
14 <u>up to and including 10,000 ..</u>	<u>\$1,000 plus \$5 per 100</u>
15	<u>transactions in excess of 1,000</u>
	<u>transactions</u>
16 <u>More than 10,000 and</u>	
17 <u>up to and including 100,000 ..</u>	<u>\$1,450 plus \$2.50 per 1,000</u>
18	<u>transactions in excess of</u>
	<u>10,000 transactions</u>
19 <u>More than 100,000</u>	<u>\$1,675 plus \$1.25 per 10,000</u>
20	<u>transactions in excess of</u>
	<u>100,000 transactions</u>

21 As used in this Section, "transactions" means loans made or
 22 acquired pursuant to this Act during the calendar year

1 preceding the calendar year for which a licensee seeks to renew
2 its license.

3 In addition to the license fee, the reasonable expense of
4 any examination or hearing by the Secretary under any
5 provisions of this Act shall be borne by the licensee. If a
6 licensee fails to renew its license by December 1, its license
7 shall automatically expire on December 31; however, the
8 Secretary, in his or her discretion, may reinstate an expired
9 license upon:

10 (1) payment of the annual fee within 30 days of the
11 date of expiration; ~~and~~

12 (2) proof of good cause for failure to renew; ~~and~~

13 (3) payment of an additional fee for failure to renew
14 in a timely manner as determined by the Secretary.

15 (f) Not more than one place of business shall be maintained
16 under the same license, but the Secretary may issue more than
17 one license to the same licensee upon compliance with all the
18 provisions of this Act governing issuance of a single license.
19 The location, except those locations already in existence as of
20 June 1, 2005, may not be within one mile of a horse race track
21 subject to the Illinois Horse Racing Act of 1975, within one
22 mile of a facility at which gambling is conducted under the
23 Illinois Gambling Act, within one mile of the location at which
24 a riverboat subject to the Illinois Gambling Act docks, or
25 within one mile of any State of Illinois or United States
26 military base or naval installation.

1 (g) No licensee shall conduct the business of making loans
2 under this Act within any office, suite, room, or place of
3 business in which (1) any loans are offered or made under the
4 Consumer Installment Loan Act other than title secured loans as
5 defined in subsection (a) of Section 15 of the Consumer
6 Installment Loan Act and governed by Title 38, Section 110.330
7 of the Illinois Administrative Code or (2) any other business
8 is solicited or engaged in unless the other business is
9 licensed by the Department or, in the opinion of the Secretary,
10 the other business would not be contrary to the best interests
11 of consumers and is authorized by the Secretary in writing.

12 (g-5) Notwithstanding subsection (g) of this Section, a
13 licensee may obtain a license under the Consumer Installment
14 Loan Act (CILA) for the exclusive purpose and use of making
15 title secured loans, as defined in subsection (a) of Section 15
16 of CILA and governed by Title 38, Section 110.300 of the
17 Illinois Administrative Code. A licensee may continue to
18 service Consumer Installment Loan Act loans that were
19 outstanding as of the effective date of this amendatory Act of
20 the 96th General Assembly.

21 (h) The Secretary shall maintain a list of licensees that
22 shall be available to interested consumers and lenders and the
23 public. The Secretary shall maintain a toll-free number whereby
24 consumers may obtain information about licensees. The
25 Secretary shall also establish a complaint process under which
26 an aggrieved consumer may file a complaint against a licensee

1 or non-licensee who violates any provision of this Act.

2 (Source: P.A. 100-958, eff. 8-19-18; 101-31, eff. 6-28-19.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.